

OPMA403

Assignment #1

Due Date: Thursday, May 27th, 2010 by 12 noon
(in Scurfield Hall, OPMA 403 drop box #20)

Instructor: Janice B. Eliasson

Question	Mark	Maximum
1		14
2		15
3		16
4		4
Cover page		1
Total		50
	Group Number*	

Last Name (in alphabetical order)	First Name
Hope	Gillian
Khan	Omar
Nguyen	Nolan
Singleton	James

** group number to be assigned by instructor after assignment submitted*

1. Cite examples in your own experience in which your expectations were met, exceeded, or not met in purchasing goods or services. If it is not obvious, briefly describe the business. How did you regard the company after your experience? *Note that your three examples do not have to be from the same company for each person.*

Give three examples (met, exceeded, or not) *per person* in your group. Each explanation should be at least 3-4 sentences. Set it up like:

Met:

Gillian: My spouse and I were shopping for a new washer and dryer set at Sears. The manager was the only person working at the time and we were not the only people in the store. He was very knowledgeable about the product he was carrying and was able to answer any questions we had. At the same time he acknowledged the other customers in the store and told them that he would be right with them. When purchasing the washer and dryer, we were not approved for the full amount. The manager made an effort to make sure that we could purchase the washer and dryer and persisted with the credit company. I was very pleased with the service, however I would not expect anything less when you are a manager, or working on commission.

Omar: When I placed an order at Tim Horton's coffee shop, I was given exactly what I had ordered – a steeped tea and a honey dip donut. The tea was hot, and the donut tasted the way it was supposed to. The server was courteous but I didn't find the encounter to be anything extraordinary. I therefore had no problems going back to Tim Horton's for coffee or donuts again, but at the same time, I wasn't going to be telling anyone stories about how happy I was with the company.

Nolan: I bought my first laptop from Apple through its online store. The laptop shipped on time and provided everything that I needed. The product was neatly packed and organized. I was very pleased with the delivery and product quality, but nothing extraordinary came from this transaction. This laptop has been with me for 3 years and I have not experienced any problems with it. I feel Apple has given me a valuable and durable product. I will buy again from them.

James: While travelling to Europe for a holiday last month, I booked my Air Canada flight using the company's Internet website. While booking the tickets I noticed they had some preferred seats in the emergency exit aisle, which I was able to secure for an additional \$50.00. I also had the ability to request a special meal for

dietary restricted individuals, had I the need. When I arrived at the airport for my flight, I didn't have to wait long to check my bag, as there were ample staff to accommodate the short queue. The food was good and I was also pleased with the personalized movie-on-demand console that was stored in the arm of my chair. The flight left on time and arrived on time. Overall my experiences were positive, my expectations were met and I would fly with Air Canada again. I would recommend Air Canada to a friend, and I would definitely tell anyone who is tall to spend the extra \$50 in each direction for the extra leg room in the emergency exit aisle.

Exceeded:

Gillian: I was shopping for running shoes at Champs. I explained to the gentleman that I was interested in a particular type of shoe. He went on to tell me that this type of shoe was actually not good for running at all. He made a recommendation on a pair of shoes that would better suit my needs. He let me try on any color and size and he let me compare it to other styles. He completely devoted his attention to me and even threw in a couple of pairs of socks and a 10% discount in the end. I was very happy with the service and am very happy with the shoes.

Omar: When flying back to Calgary, our flight coming into London-Heathrow International Airport was delayed. By the time we got off of this flight, there were only 15 minutes left before the Air Canada flight to Calgary was to take off! Air Canada had been notified in advance that our flight was late, however, and thus when we got off the plane and entered the airport, an Air Canada employee was waiting for us with an airport cart, which was used to quite literally speed us across Heathrow's massive terminal and barely catch our flight. After this experience, I think (and talk about) highly of Air Canada and despite the complaints I've heard about the airline, I am still very happy to fly with them.

Nolan: I was shopping in store that sold bath bombs and I had no idea what bath bombs were. So the representative gave me the full spiel on what they were and how it's good for me. She allowed me to try it out by demonstrating the product with a bucket of water. After purchasing some bath bombs, she gave me some of their products for free to try out at home. I got \$10 worth of merchandise for free! When walking out of the store, I felt like I had stolen something or got a really good deal. I will return to that store and will tell all my friends about my great service there.

James: While in Paris, my cousin took my wife and I to a very small wine bar. There were seats for 30 and a small cellar that housed wines from the many regions of France. The owner of the establishment, recognizing that French was my second language, made an effort to describe the wines in English and recommended some cheeses, and sliced meats that would go well with the wine. When it came time to order another bottle, I made the mistake of ordering a wine less robust than the one we had just consumed. The sommelier very politely explained to us that we should select a wine with stronger flavours than the one we had just consumed and explained to us why. The level of service exceeded that which I was accustomed to in Canada. The owner was also very knowledgeable about her product. I would recommend this establishment to anyone travelling to Paris.

Not Met:

Gillian: My friends and I were eating dinner at Boston Pizza and one of them has a severe peanut allergy. We had asked the waitress if it was okay for her to eat and she assured us it was. Sure enough my friend ended up having an allergic reaction and we had to call the ambulance. While we were waiting for the ambulance to arrive, we had to stab our friend with an epi-pen in the middle of the restaurant. We went to talk to our waitress and she insisted on us to pay the bill. After we spoke to management he did not proceed to do anything for her. We were in such a rush that we did not argue the situation. I was extremely annoyed with the situation, considering my friend could have died.

Omar: I had a car audio system installed at Best Buy, and two days later my Jeep's electrical system malfunctioned, with gauges and warning lights turning on and off for no reason. When I took it back to get it checked out, the technician who was supposed to fix it basically told me there was no way that the Best Buy product could cause the problem, that my Jeep was "f***ked", and that I had two choices – either go to a dealership as the Jeep was, or else that he would remove the system and I could "go to a dealership, find out the hook-up isn't the problem, and pay \$50 to get it put back in". He eventually removed the system, my Jeep's electrical problems are now fixed, and I have written letters to Best Buy regarding the incident. I no longer recommend Best Buy to my friends/family, especially for car audio systems.

Nolan: I was at Future Shop looking for a new TV. When I walked in, no one approached me or even said anything to acknowledge my existence. After 20 minutes of looking around, I became

infuriated with the store and its personnel. Even though I saw the TV that I wanted, I didn't buy it from that store and bought a comparable one at a different store down the street. I will never return to that store again.

James: When I shop for goods, whenever possible I shop at Canadian owned retailers. A series of bad experiences at Rona has me frustrated and angered and I no longer shop there. Three times in a row I went to a particular location, and each time, I was unable to find the assistance I required. The cashier was rude and could be heard swearing to another co-worker. I have filled out a comment card and personally invited the store manager to contact me so I could tell him about the numerous other issues I had encountered in his/her store, but I never received a reply. I no longer shop at Rona, but I do shop at Totem, which is part of the same company. I get better service and free popcorn. Sadly I sometimes have to go shop at Home Depot, because Totem doesn't carry what I need.

2. Choose a business that you are familiar with.
 - a) Identify it and briefly describe it (type of business, location(s), # of employees and/or revenue).

Chili's is a restaurant chain that exists all over North America. However I will focus specifically on the ones located in the Calgary Airport as they are run very differently than most. There are 2 locations and currently around 40 employees for both. They have combined sales of around \$10,000 to \$15,000 a day.

- b) Consider Deming's 14 points. For five of the points, list them and briefly describe them. For each point, discuss how it is currently implemented or could be implemented at this business.

Create a Constancy of Purpose: This point is best described as the drive to stay competitive, stay in business, provide jobs, and let the profits follow.

Chili's needs to work on this area a little better as they are not very competitive compared to other restaurants regarding price. Everything they sell is completely overpriced, causing customers to be dissatisfied. They are sucking every penny they can out of the customer in order to receive more profit.

Cease mass inspection: This point illustrates that it is better to spend time and effort managing quality at its source than to waste energy and resources inspecting large amounts of product for non-conformance to quality standards.

Chili's is inspected by a company called Ecosure and they did not always do so well during this inspection. Finally the management made a list of everything that needed to be done daily in order for the company not to fail during this inspection. Since then, they have received very high scores.

Constantly Improve the System: Continuous improvement in production and service management.

Chili's currently has a Guest Experience Management (GEM) survey. This survey can be filled out online by any customer at Chili's. They are asked a few questions based on their experience. These surveys come back to management in order to make sure we are all doing our job properly or if we need to improve on anything in particular.

Institute Training on the Job: This point says that if employees are properly and adequately trained (in both specific job skills as well as statistics for problem solving), there will be less variation in quality of the service or products.

Chili's has an extensive training program laid out for all new employees. They also make sure that every time a process or product has changed their staff is aware of the change and is trained for this change.

Improve Leadership: This point illustrates that leaders must not only supervise and give direction to employees, but they must also provide leadership and guidance to help nurture and grow an efficient and effective work force with quality in mind.

The management at Chili's does not just stand around watching the employees work hard, they actually pitch in with everything to make sure they are either doing it properly or just to assist during rushed times.

- c) Considering your response to b), what might this mean for approaches to improving the quality of this particular business?

Chili's definitely has made an effort to improve its processes and product. Over the last five years they went from being out of stock for most of their food (which is not good for a restaurant), to actually meeting and sometimes exceeding the expectations of their customers. The company does still need to make some changes in order to become a leader in the business (such as establishing a constancy of purpose besides profit orientation) but they are definitely on their way to improving quality.

3. Pareto Chart

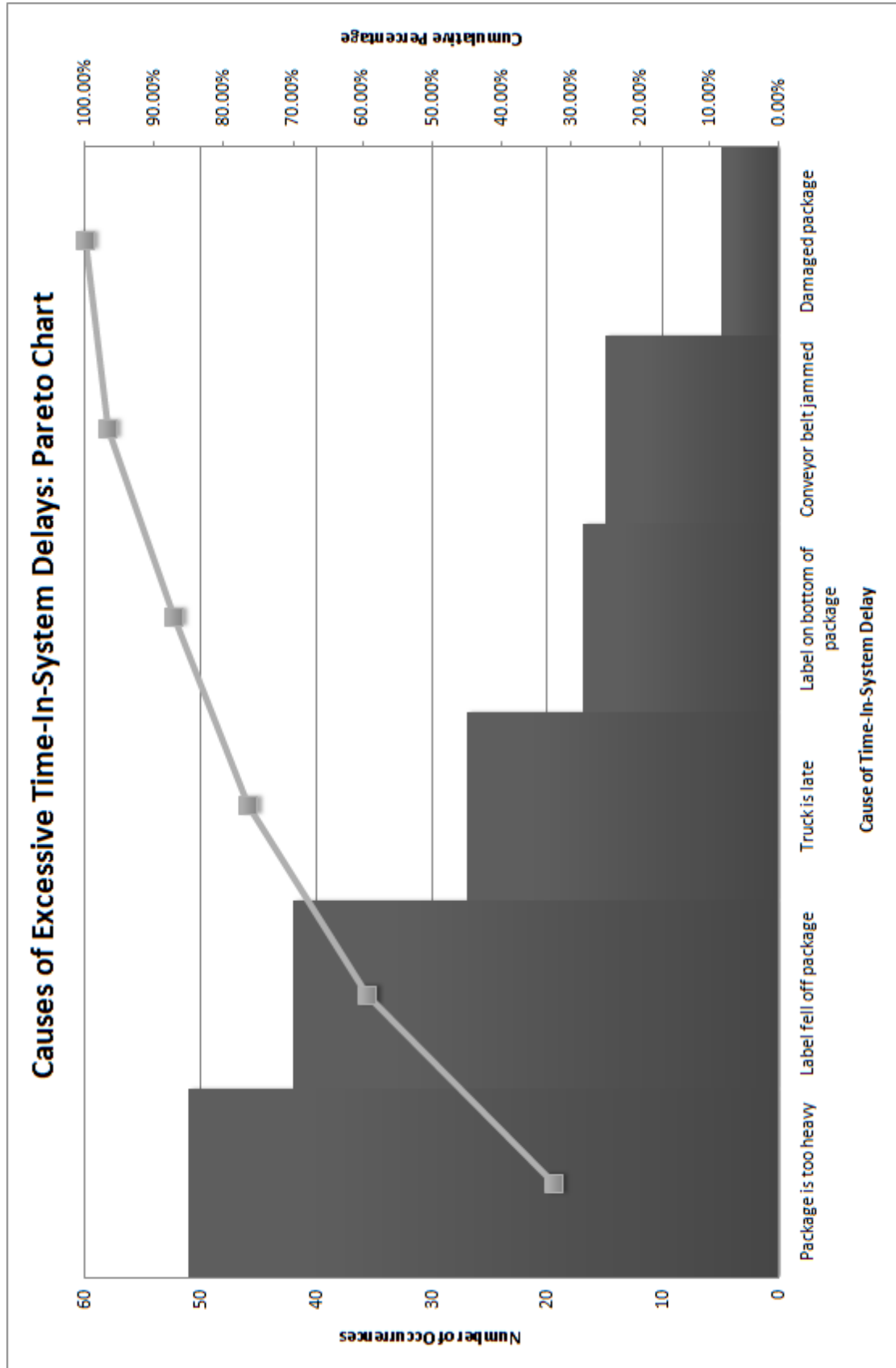
Research into causes of excessive "time in system" for packages in a distribution centre have revealed data on the most common causes.

- a) Prepare a Pareto Analysis graph in Excel for the following data. Ensure to include the appropriate chart/table that was used as the data for the graph.

Table 1. Causes of Excessive Time-In-System Delays at Distribution Center

Cause	Details	# of occurrences	% of total	Cumulative %
Package is too heavy	It must be re-packed to not exceed the maximum weight	51	32.48%	32.48%
Label fell off package	Package goes "round and round" conveyor system	42	26.75%	59.24%
Truck is late	There is no truck at the dock to put the product on	27	17.20%	76.43%
Label on bottom of package	Scanner can only read sides of packages	17	10.83%	87.26%
Conveyor belt jammed	Conveyor belt stops when a package blocks a route	15	9.55%	96.82%
Damaged package	Package had to be manually repaired before re-entering system	5	3.18%	100.00%
Total		157	100.00%	

(See next page for Pareto chart)



- b) Give at least two suggestions to help address *each of the two most common* causes.

To address the issue of packages being too heavy, one solution would be to provide wholesalers (shipping packages to the distribution centre) with small discounts (valued at less than the cost of labour-hours required to repack the packages) if all (or nearly all) of their packages for the month come in at or below the maximum weight. This would encourage the suppliers to check the weights of their packages, reducing delays and at the same time improving the image of the distribution centre. Another alternative is to increase the weight capacity of the conveyor belt in the distribution centre, which would increase the maximum weight limit on the packages. This would mean that fewer packages would be too heavy, reducing delays.

To address the issue of labels falling off of packages, one solution is to switch from using labels to instead using RFID tags. This system would not require labels to identify packages, and would thus also solve the problem of labels being on the bottom of the package. Alternatively, the distribution centre could seek a new supplier of labels or an alternative brand of label from the existing supplier, which has a stickier adhesive backing.

4. Print out the list of winners of the Canada Awards for Excellence for 2009. Highlight/indicate the winners from Alberta.

See next page.

**Order of Excellence
Award**

- **Diversicare Canada Management Services Co., Inc.,**
Mississauga, Ontario – Quality
- **Region of Peel,**
Brampton, Ontario – Quality

Quality Award

- **ASRC Energy Services Tri Ocean Engineering Ltd.,**
Calgary, Alberta – Gold Trophy
- **City of Prince George,**
Prince George, British Columbia – Gold Trophy
- **Manulife Financial - Individual Wealth Management Operations,**
Waterloo, Ontario – Gold Trophy
- **Ontario Ministry of Northern Development, Mines and Forestry,**
Sudbury, Ontario – Gold Award
- **Ontario Parks, Ontario Ministry of Natural Resources,**
Peterborough, Ontario – Gold Award
- **Pulp and Paper Health and Safety Association,**
North Bay, Ontario – Gold Award
- **City of Dawson Creek,**
Dawson Creek, British Columbia – Silver Award
- **CMA Canada,**
Mississauga, Ontario – Silver Award
- **OTIP RAE0,**
Waterloo, Ontario – Silver Award
- **Social Services Department, Regional Municipality of Durham,**
Whitby, Ontario – Silver Award
- **Revenue Operations & Client Services Branch, Corporate &
Quality Service Division, Ontario Ministry of Finance,**
Oshawa, Ontario – Bronze Award

**Organizational
Quality and Healthy
Workplace® Award**

- **Ceridian Canada - LifeWorks,**
Markham, Ontario – Bronze Award

**Healthy
Workplace® Award**

- **Calian Technologies Ltd., Business and Technology Services
Division,**
Ottawa, Ontario – Gold Trophy
- **College of Registered Nurses of Nova Scotia,**
Halifax, Nova Scotia – Gold Trophy
- **Pfizer Canada Ltd.,**
Kirkland, Quebec – Gold Trophy
- **Region of Peel,**
Brampton, Ontario – Gold Trophy
- **Seaview Manor Corporation,**
Glace Bay, Nova Scotia – Gold Trophy
- **Research In Motion,**
Waterloo, Ontario – Silver Trophy
- **Windsor Regional Hospital,**
Windsor, Ontario – Silver Award

**Healthy
Workplace® Award
for Small Business**

- **Centre for Health & Safety Innovation,**
Mississauga, Ontario – Silver Trophy